

BIRCHWOOD MEADOW HOUSING CO-OPERATIVE INC.

BY-LAW#5

ORGANIZATIONAL BY-LAW

BIRCHWOOD MEADOW HOUSING CO-OPERATIVE INC.

BY-LAW NO. 5

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**A by-law relating generally to the
transaction of the affairs of the transaction of the affairs of
Birchwood Meadow Housing Co-operative Inc.**

**BE IT ENACTED as a by-law of BIRCHWOOD MEADOW HOUSING CO-OPERATIVE
INC., (the "Co-op") as follows:**

ARTICLE 1

GENERAL

1.01 AIMS AND OBJECTIVES

The Co-op will be carried on for the purpose of providing housing to its members on a co-operative basis, and for the furtherance of the co-operative principles and the betterment of society, and without the purpose of gain for its members.

1.02 CO-OPERATIVE CORPORATIONS ACT

The affairs of the Co-op will be governed by and conducted in accordance with the Co-operative Corporations Act of Ontario (the "Act"). Certain provisions of that Act relate to various matters not dealt with in the by-laws of the Co-op and should be consulted where appropriate.

ARTICLE2

MEMBERSHIP

2.01 MEMBERSHIP

No person will be a member of the Co-op unless that person has been admitted to membership by the Board of Directors (the "Board").

2.02 APPLICATION FOR MEMBERSHIP

Applicants for membership must submit a written application in the form

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required by the Board. No application for membership may be considered unless all member of the applicant's household who are sixteen years of age or over and who intend to occupy a unit of housing in the Co-op have applied for membership or for long-term guest status in accordance with the Co-op's Occupancy By-law. No application for membership in the Co-op may be withdrawn after the applicant has taken occupancy of a unit of housing in the Co-op.

2.03 QUALIFICATIONS FOR MEMBERSHIP

- (a) The Board may accept for membership those persons who are sixteen years of age or over and who have the qualifications set forth in the Act and in the Co-op's Member Selection and Unit Allocation By-law.

- (b) Unless otherwise decided by resolution of the Board, persons accepted for membership by the Board shall not become members until they have become residents and taken occupancy of a unit of housing in the Co-op. Prior to or simultaneously with taking occupancy, each such person must sign the Occupancy Agreement, pay the lifetime membership fee, the portion of the Member Deposit that is due and the first month's Housing Charge and satisfy any other financial requirement imposed by the Board in connection with approval of the application. Failure to complete any of these requirements will not prevent the person from becoming a member on taking occupancy, but will be grounds for termination of occupancy rights.

2.04 TRANSFERS AND WITHDRAWALS

Membership in the Co-op is not transferable and will terminate on death. Members may withdraw from the Co-op in accordance with the Act and will be deemed to have withdrawn as provided for in the Co-op's Occupancy By-law. Upon vacating their unit, the Member will be deemed to have withdrawn their Membership in the Co-Operative

ARTICLE 3

MEETINGS OF MEMBERS

3.01 ANNUAL GENERAL MEETINGS

The Co-op will hold an annual meeting of the members not more that eighteen months after incorporation and subsequently not more than fifteen months after the

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holding of the last preceding annual meeting and not more than six months after the end of the immediately preceding fiscal year of the Co-Op. The agenda for each annual meeting will include the approval of the financial statements and the auditor's report and the appointment of an auditor and can include the election of directors and the receiving of annual reports from the Board, committees, and employees.

3.02 REGULAR GENERAL MEETINGS

In addition to the annual general meeting, two other general meetings of the members will be called by the Board during each year. As nearly as convenient, the annual meeting and the two regular meetings of the members will be spaced at regular intervals through the year.

3.03 SPECIAL GENERAL MEETINGS

Special general meetings may be called by the Board or by any duly constituted meeting of the members.

3.04 PLACE OF MEETINGS

Meetings of members will be held at a place within the Regional Municipality of Ottawa-Carleton or at any other place within the Province of Ontario if the Board or members so authorize.

3.05 NOTICE AND AGENDA OF GENERAL MEETINGS

- (a) Notice of each annual or other general meeting of members will be given To the members not less than ten (10) nor more than thirty (30) days prior to the date of the meeting. In computing the time for the giving of notice, the day of giving the notice will not be counted and the day of the meeting will be counted.
- (b) The notice will specify the time and place of the meeting and will set out or be accompanied by a statement of the business to be considered or transacted at the meeting. In the case of the Annual Meeting, such notice will be accompanied by a copy of the financial statement and auditor's report for the previous fiscal year.
- (c) If passage of a by-law or the annual budget is on the agenda for a general meeting, a copy of the proposed by-law or budget will be given to each member at least three days before the meeting.
- (d) Members will be entitled to have a matter put on the agenda for any

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members' meeting and sent out with the notice of the meeting, provided they give the Secretary written notice of the matter they want included at least five days in advance of the last day for sending out notice of the meeting. If they do not give notice in time for the matter to be included with the regular notice of the meeting, they may themselves, at their own expense, give notice to all members at least three days prior to the date of the members' meeting. Any items added to the agenda by members will be placed at the end of the agenda unless the members at the meeting decided to alter the order of the agenda.

- (e) No business may be transacted, and no resolution or by-law adopted or confirmed by the members, unless the general nature of that item of business was set out in or with the notices mentioned above, or in the case of adoption of a by-law or budget, a copy of the by-law or budget was given to the members in accordance with 3.0S(c). Where the previous sentence has been complied with, the members may adopt any resolution or version of the by-law or budget even if the version adopted substantially changes or is contrary to the original proposed.
- (f) Notwithstanding any lack of notice, any matter for which proper notice has not been given in accordance with this by-law, may still be discussed by the members present, at a general meeting so long as no decision is made with respect to that matter.
- (g) The record date for notice of meetings will be the day before the last day for giving notice under 3.0S(a). Notice will be given to all persons who at the close of business on the record date, are shown or are entitled to be shown on the register of members, kept under 7.08 (Secretary), as members of the Co-op, and notice will be given in accordance with 14.01 (Notice).
- (h) When notice of a meeting or copies of documents referred to in 3.0S(b) or 3.0S(c) are received generally by the members, the accidental omission to give notice to any member or non-receipt of notice by any member, or any error in the register of members as of the record date, will not invalidate any motions or resolutions passed or any proceedings taken at the meeting.
- (i) The members at a meeting may, by a majority of the votes cast, pass a resolution adjourning the meeting to a specific date, or a date to be determined in accordance with the resolution, for the transaction of any business not completed at the meeting. Such an adjourned meeting will be deemed to be a continuation of the original meeting and the agenda for the original meeting will be followed unless the members otherwise decide. If

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the resolution sets out a specific date for the resumed meeting, no notice of the resumed meeting need to given to the members. If the resolution does not set out a specific date, then a notice of the meeting must be given in the manner as set out in the resolution, and if the resolution does not deal with the notice, then in accordance with (11.01) ofthis by-law. Any decision made at an adjourned meeting will be as effective as if made at the original meeting.

3.06 CHAIRPERSON OF GENERAL MEETINGS

The President or another person appointed by the Board will preside as Chairperson at meetings of members subject to any contrary decision by the members at the meeting. If the Chairperson wishes to make a motion or participate substantively in discussion of a matter being considered by the meeting, the Chairperson will leave the Chair until the voting in the motion is over, or discussion of the matter has been completed. During such absence from the Chair, the Vice-President or an other person approved by the members will act as Chairperson. The person acting as Chairperson at the time of the vote will not vote unless the Chairperson's vote would make or break a tie or unless the vote is by ballot. In the case of a tie, the motion is defeated.

3.07 QUORUM AT GENERAL MEETINGS

No business will be transacted or motion or resolution adopted at any meeting of members unless a quorum of members is present. A quorum will consist of twenty-five percent of the members entitled to vote at the meeting. If a quorum is not present within thirty minutes of the time for which the meeting was called, the members present may adjourn the meeting to a date not less than five and not more than fifteen days later. At least two days notice of the adjourned meeting will be given in the manner provided in (3.05). If a quorum is not present at the adjournment meeting within one hour of the time for which the meeting was called, then the quorum for the adjourned meeting will be reduced to ten percent of the members entitled to vote and the business and motions to be considered by the meeting will be limited to those referred to in the notice given under 3.05. Notwithstanding the above, if the meeting was called upon requisition (under 4.04) and if no quorum is present within thirty minutes of the time for which the meeting was called, the meeting will be dissolved and there will be no obligation on the Board to call another meeting relating to the same subject matter, unless another requisition is properly filed in accordance with the Act.

3.08 VOTING

- (a) Every member of the Co-op has the right to one vote at any meeting of the members. All persons who are members at the time

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of the vote are entitled to vote, even though they may not have been members at the time notice of the meeting was given.

- (b) Only members present in person may vote and vote by proxy will not be permitted.
- (c) Unless otherwise specifically provided in this By-law or in the Act, all decisions will be made by a majority of the votes cast. An abstention will not be considered a vote cast.

3.09 ATTENDANCE BY NON-MEMBERS

- (a) Non-member residents of the Co-op and other non-members, other than employees, may attend or speak at meetings of members only with the prior permission of the Chairperson or of the meeting, and may not propose motions or vote.
- (b) Employees of the Co-op will be entitled to attend and speak at meetings of members, unless excluded by a decision of the meeting; and if in attendance, will not be entitled to vote.

3.10 RECORD OF ATTENDANCE

The Secretary will cause the names of all persons attending members' meetings to be recorded and will ensure that only members make motions or vote.

3.11 PROCEDURE AT GENERAL MEETINGS

The procedure at meetings of members will be that set out in the Rules of Order attached to this By-law as Schedule "A". Any question as to the interpretation of the Rules or Order at meetings of members or any procedural matter not dealt with in the Rules of Order will be decided by the Chairperson, subject to the right of members to appeal the Chairperson's ruling under paragraph 7 of Schedule "A".

ARTICLE 4

MEMBER CONTROL

4.01 RIGHT OF MEMBERS TO REQUISITION ACTION

Under the provisions of the Act and Paragraph 6.01 (Power and Duties of the Board) of this By-law, the business of the Co-op is under the management and direction of the Board. Ultimate control of the Co-op is in the hands of the members through their ability to choose and remove the Board and through their ability to control the budget and various other aspects of decision-making in the Co-op. However, the Act permits the members to adopt resolutions or make decisions dealing with the day-to-day management of the Co-op only in compliance with certain precise formalities. The Act provides three specific methods by which members may make their will govern in the specific circumstances as set out in this Article. Paragraphs 4.02 to 4.04 of this Article describe these three methods.

4.02 REQUISITIONS FOR PASSING BY-LAW OR DIRECTORS REGULATIONS

Under section 70 of the Act, ten percent of the members may requisition the directors to call a meeting of the directors for the purpose of passing any by-law or resolution. If the directors do not call the meeting and pass the by-law, or resolution, then any of the requisitionists may call a members' meeting for the same purpose. Such a members' meeting has the full power to pass the by-law or resolution, even though it has not been passed by the directors. This is the only circumstance under which a by-law can be adopted by the members without it having first been passed by the Board. No requisition for a meeting in respect of a by-law or resolution may be made for a period of two years after a meeting of members has failed to pass or confirm a similar by-law or resolution arising out of an earlier requisition.

4.03 REQUISITION TO PLACE RESOLUTION ON AGENDA FOR MEMBERS' MEETING

Under section 71 of the Act, five percent of the members may requisition the directors to give notice of a particular resolution to be moved at the next members' meeting and to circulate an explanatory statement. This procedure does not permit a by-law to be passed by the members unless the Board has already passed it. This procedure does not permit any resolution to be adopted unless the membership would have had the authority to adopt it without a requisition.

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4.04 REQUISITION FOR MEMBERS' MEETING

Under section 79 of the Act, five percent of the members may requisition the Board to call a members' meeting for any specific purpose. This does not necessarily require a separate meeting, since the meeting referred to in the requisition could be part of any annual, regular or special meeting that is scheduled within the time periods mentioned in section 79 of the Act. This procedure does not permit a by-law to be passed unless the Board has already passed it, but only permits the membership to take such actions at the meeting as they have the authority to take. This procedure is designed to deal with a case where the Board is not calling meetings of members as frequently as it should.

4.05 PROCEDURES FOR MEMBERS' REQUISITIONS

The procedures and further details governing exercise of the members' rights referred to in this Article are those set out in the relevant section of the Act.

ARTICLE 5

BY-LAWS, POLICIES AND STANDING RESOLUTIONS

5.01 BY-LAWS

By-laws are intended to set out significant aspects of the organization or operation of the Co-op. By-laws and amendments to existing by-laws must be passed by the Board and will not be effective until confirmed, with or without variation, by at least two-thirds of the votes cast at a general meeting of the members.

5.02 STANDING RESOLUTIONS OR POLICIES OF THE BOARD

The Board acts in areas within its authority by virtue of Board resolutions. The Board may adopt continuing or standing resolutions to codify how the Board will deal with recurring matters. These standing resolutions may be used to adopt Board policies in areas of the Co-op's operations not dealt with in the by-law's, or may establish the procedural details of how the by-laws will be implemented. The Board may, for ease of reference, title as "Policies" certain standing resolutions. The Board will distribute or otherwise publicize standing resolutions or policies which affect the members generally.

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5.03 PRIORITY

Insofar as possible, by-laws of the Co-op and standing resolutions and Policies of the Board shall not conflict with each other or with the Act and the Articles of Incorporation of the Co-op. In the event of conflict, the order of priority will be first the Act, second the Articles of Incorporation, third by-laws and fourth standing resolutions and policies. All the foregoing will be binding on the Co-op, Board, members and employees.

ARTICLE 6

BOARD OF DIRECTORS

6.01 POWERS AND DUTIES OF THE BOARD

- (a) The business of the Co-op will be under the management and direction of the Board, which will exercise all the powers of the Co-op unless the by-laws or the Act expressly require any act to be done or decision to be made by meeting of the members. The members will not be entitled to substitute their decision for that of the Board unless the procedure set out in Section 70 of the Act and Article 4 (Member Control) of the By-law are followed, or unless the by-laws or the Act require any act to be done or any decision to be made by a meeting of the members or authorize and appeal from a decision of the Board.
- (b) The Board will, at all times, act in accordance with Act, the Articles of Incorporation. the by-laws andstanding resolutions and Policies of the Co-op.
- (c) The Board may act only by the decision of a duly constituted Board meeting.
- (d) The Board's responsibilities will include, but not be limited to the following:
 - 1. Ensuring that by-laws and standing resolutions setting out the management policies of the Co-op are established and regularly reviewed;
 - 2. Ensuring that a management plan for the Co-op is established annually;

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3. Ensuring that an effective organizational structure is established and that division of responsibility within the structure is clearly defined;
4. Ensuring adequate performance of all legal obligations and agreements of the Co-op;
5. Ensuring that the Co-op's property is adequately maintained;
6. Supervising and monitoring the financial affairs of the Co-op and making prudent financial decisions in the interest of the members;
7. Ensuring that the Co-op maintains as adequate level of insurance coverage;
8. Ensuring that there is provision for the education of members and employees in matters relating to the operations of the Co-op and the practice of co-operation;
9. Ensuring that by-laws concerning the selection and housing of members are followed;
10. Approving or rejecting membership applications;
11. Directing and co-ordinating the reports and activities of all committees;
12. Determining the agenda for all general meetings of members and reporting on its activities to the members;
13. Hiring, dismissing and directing employees and fixing their remuneration;
14. Ensuring that the social and community needs of the Co-op are addressed; and
15. Ensuring the participation of the Co-op in the broader co-operative movement.

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6.02 NUMBER OF DIRECTORS AND QUORUM

The Board will consist of five (5) members of whom three (3) will constitute a quorum for the transaction of business.

6.03 QUALIFICATIONS TO ACT AS A DIRECTOR

- (a) No person will act as a director of the Co-op unless that person is eighteen years of age and is a member of the Co-op. A majority of directors must be Canadian citizens or landed immigrants. No undischarged bankrupt or mentally incompetent person will be a director.
- (b) A person who is elected a director is not a director unless they were present at the meeting when they were elected and did not refuse at the meeting to act as a director, or where they were not present at the meeting, they consented in writing to act as a director before their election or within ten days thereafter. An appropriate form of consent is attached to this by-law as Schedule B.
- (c) Only a member who lives in the co-op can be elected as a director.
- (d) Two or more members of the same family, related by blood, marriage, common-law or same sex relationships cannot serve on the Board of Directors at the same time.
- (e) A person who resides in a unit that is in arrears to the co-op cannot be elected as a Director.

6.04 ELECTION OF DIRECTORS

- (a) Directors will be elected by the members. The election will take place at a general meeting of members called for that purpose.
- (b) The election will be by ballot. Members must, on their ballot, cast a number of votes equal to the number of directors to be elected. Any ballot that does not have such number of votes on it will be void. Members may distribute their votes among the candidates in any way they see fit, but no candidates may receive more than one vote from any member. In the event of an acclamation, the Secretary will cast a single ballot for the directors who have been nominated.

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- (c) All votes must be cast during a duly constituted general meeting and quorum must be maintained until all the ballots have been cast. No member may vote by proxy.

6.05 NOMINATIONS

The Board will normally strike an Election Committee or appoint an Election officer prior to the election of directors to publicize the upcoming election and to seek candidates and educate members in the duties and responsibilities of the Board. The Committee will endeavor to ensure that there are more candidates than the number of directors to be elected. At the election meeting, any member may nominate additional candidates who qualify under 6.03 (Qualifications to Act as a Director).

6.06 PROCEDURE FOR ELECTIONS

- (a) In the case of any election for directors, the candidates receiving the greatest number of votes will be declared elected. In the event of a tie for the final position on the Board or for the final position for a two year term at the election referred to in 6.07 (b), a second election will be held immediately, involving only the candidates receiving the same number of votes for the final position. The second election will be held by ballot in accordance with the provisions of this paragraph.
- (b) Following any election, there will be an immediate recount of vote cast if requested by at least five (5) members present.
- (c) Following the election, unless the meeting passes a motion to destroy the ballots immediately, the cast ballots will be returned to the ballot box, which will be sealed and kept in the Co-op office for forty-eight hours before the ballots are destroyed. During the forty-eight hour period, any member may, in accordance with Article 4 (Member Control) requisition a general members' meeting for the purpose of recounting votes. If such a meeting is called, the ballots will be kept until the date of the meeting. Notwithstanding any such recount or meeting, the decision as announced at the Meeting where the election was held will continue in effect pending any further recount.
- (d) An Election Officer and assistant, neither of whom need be members of the Co-op, will be appointed by the Board prior to the election meeting. The Election Officer will be responsible for ensuring that the election is conducted in accordance with the Co-op's by-laws and the Act, for

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providing a list of all nominated candidates , and for supplying initialed ballots with a number of spaces equal to the number of directors to be elected. The Election Officer and assistant will count the votes and announce the results at the meeting (but not the number of votes cast for each candidate) . The Election Officer will be responsible for insuring that the ballots are kept and destroyed in accordance with 6.06 (c).

6.07

TERM OF OFFICE

- (a) The term of office for a director will be approximately two (2)years except as provided in 6.07. Directors will serve until the first Board meeting following the election of their successors unless a director resigns or is dismissed under 6.11 (Termination of Directorships). No director may serve for more than two consecutive full terms.
- (b) Each director will be elected for a two year term.

6.08

VACANCY

- (a) Where a vacancy exists on the Board and a quorum of directors remains in office, the directors may appoint a qualified person to fill the vacancy until the next general election of directors. Consideration of the election of a director so appointed will be placed on the next agenda that is being delivered under 3.05 (a) for a members' meeting. At that meeting, the members may, notwithstanding 6.11 (Termination of Directorship) , without further notice to proceedings, remove the director who has been appointed and may, by a majority of the votes cast at the meeting, elect any qualified person in that director 's place for the remainder of the term.
- (b) If no quorum of directors remains in office, then the remaining directors will call a meeting of members at which sufficient directors will be elected to fill any vacancies for the balance of the original terms. No person will be appointed under this or 6.11 (Termination of Directorship), if that person would have been ineligible for election originally to fill the position by virtue of 6.07 (a), which limits the number of consecutive terms that a director may serve.

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6.09 RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

In addition to any responsibilities any director may have as an officer, the responsibilities of each director will be as follows:

- (a) To attend all meetings of the Board and of members, unless excused by the Board;
- (b) To prepare for all meetings by reading the relevant reports;
- (c) To act honestly, in good faith and in the best interests of the Co-op at all times and to place this duty before the director's personal interest;
- (d) To be familiar with the Articles of Incorporation, by-laws, and standing resolutions of the Co-op;
- (e) To respect the confidentiality of matters considered by the Board or coming to their notice or attention as directors that are of a confidential or private nature; and
- (f) To perform any specific duties that may be assigned by the Board.

6.10 INDEMNIFICATION OF DIRECTORS AND OFFICERS

- (a) The Directors and officers of the Co-op and each of them, and their respective heirs, executors, administrators and other legal personal representatives, will, from time to time and at all times be indemnified and saved harmless by the Co-op from and against any liability and all costs, charges and expenses that are sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against them for or in respect of the execution of the duties of their offices.
- (b) Notwithstanding the above, no directors or officers of the Co-op will be indemnified by it in respect of any liabilities, costs, charges or expenses that are sustained or incurred in or about any action, suit or other proceeding as a result of which they, or any of them, are judged to be in breach of any duty or responsibility imposed under the Act or under any other statute unless, in an action brought against them in their capacities as directors or officers, they have achieved complete or substantial success as defendants.

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- (c) The Co-op will enter into an Agreement with all directors and officers indemnifying them and saving them harmless in accordance with the provisions of this paragraph. This Agreement will be substantially in the form attached to this by-law as Schedule "C" .
- (d) The Co-op may purchase and maintain any insurance for the benefit of its directors and officers as the Board may from time to time determine, except insurance against a liability, cost, charge or expense of a director or officer incurred as a result of a contravention of Section 108 of the Act. The directors and officers may also obtain additional insurance, which may be provided for in the same insurance policy as referred to above.

6.11

TERMINATION OF DIRECTORSHIPS

- (a) A Director may resign by notice in writing delivered to the president or to office of the Co-op. The resignation will be effective on acceptance by the Board. The Board must accept any resignation at the meeting following its receipt unless the resignation is withdrawn before acceptance. If and only if the procedure described herein is rendered inoperative by a situation such as that describes in 6.08 (b), a director's resignation shall be deemed accepted upon delivery of the written notice to the Co-op's office.
- (b) The members may, by resolution passed by a majority of the votes cast at a general meeting, remove any director from office before the expiry of the director's term, provided notice of the intention to propose such resolution was included with the notice of the meeting. The members may, by majority of the votes cast at the meeting, elect any qualified person to fill the vacancy so created for the remainder of the term.
- (c) The Board may recommend the removal of a director from office if the director is absent from three consecutive meetings of the Board without leave or adequate excuse, for breach of confidentiality as set out in paragraph 11.02 (Confidentiality of Board and Committee Proceedings), or for other serious dereliction of duty as director or as a member. The Board may, by a majority vote, decide to initiate proceedings to remove a director from office on such grounds. Following such vote, a written notice stating the grounds for removal must be sent to the director at least seven days in advance of the Board meeting where the removal will be discussed. The director will be given an opportunity to appear and be heard at that Board meeting. Final consideration of the recommendation and voting on the matter will take place without the director in question present. The resolution to recommend removal of a director from office

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will be effective only if passed by two-thirds of the votes cast at the meeting of the Board.

- (d) Where the Board recommends removal of a director from office under 6.11 (c), a resolution will be presented to the next general meeting of members under 6.11 (b).

6.12

REMUNERATION OF DIRECTORS

Directors will receive no remuneration for serving as directors, but will be reimbursed their reasonable, duly authorized, out-of-pocket expenses incurred in carrying out their duties. Directors engaged to perform duties for the Co-op for remuneration will resign their office.

6.13

MEETINGS OF DIRECTORS

- (a) Meetings will take place at the head office of the Co-op or at such other place within the Regional Municipality of Ottawa-Carleton as the Board may determine.
- (b) The Board will hold regular monthly meetings on a day set at the previous meeting, or at a regular day or time of the month, determined by resolution of the Board. No notice of these meetings will be required.
- (c) The Board may hold special meetings at times other than as set out in 6.13 (b). Such a meeting may be called by resolution of the Board, or by the President, Vice-President, or a quorum of directors outside of a Board meeting. At least three days notice of such a meeting will be given to each director in the manner provided in Article 14 (Notice). The Notice will set out the general nature of the business that is to be conducted at the meeting.
- (d) A meeting of the Board may be called on less than three days notice in case of emergency provided a quorum of directors is present at the meeting and those present consent to holding the meeting without normal notice. It is understood that meetings will be called under this subparagraph only in very unusual circumstances as it is important to the orderly operation of the Co-op that all directors have an adequate opportunity to be present at all meetings. In the case of a meeting under this subparagraph, written notice must be delivered in accordance with Article 14 (Notice) and, in addition, each director will be given notice by telephone, if possible. Any

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decisions taken at an emergency meeting will be reported to the next regular directors meeting.

- (e) Where possible, an agenda will be distributed in advance of a Board meeting specifying the items to be considered at the meeting. However, at a regular meeting called under (b) of this paragraph, the Board may consider or adopt any motion regardless of the fact that no notice of the item was given. At a meeting called under (c) and (d) of this paragraph, the Board may only pass motions related to business that was specified in the notice calling the meeting or an agenda accompanying the notice.
- (t) In addition, all the directors may at any time waive any requirement for notice.
- (g) Where all the directors present at a meeting have consented, any director may participate in a meeting of the Board by means of a conference telephone or other communication equipment where all persons participating in the meeting can hear each other.
- (h) The President , or such other person as may be determined by the Board, will serve as Chairperson of meetings of the Board.
- (i) All resolutions of the Board or decisions made by the Board will be by a majority of the votes cast unless otherwise provided in this by-law.
- G) The chairperson, provided such a chairperson is a director, will be entitled to vote on all matters coming before meetings of the Board, but will not have a second or casting vote in the case of a tie vote.
- (k) Except as set out in this By-law, the provisions of this By-law dealing with procedure at meetings of members will apply, with all necessary changes, to meetings of the Board.

6.14

MEMBERS' AND EMPLOYEES' PARTICIPATION

- (a) The minutes of all Board meetings, or a brief summary, will be published, as soon as practicable after each meeting, in the Co-op newsletter, if any, or circulated to all members, or posted in a prominent location at the Co-op's premises. Members may at anytime during office hours, examine Board minutes except those parts of the Minutes referred to in 11.02 (c).

ARTICLE 7

OFFICERS

7.01 APPLICATION OF ARTICLE 7

References to officers in this Article will refer only to officers elected under this Article and not to employees of the Co-op.

7.02 ELECTION OF OFFICERS

- (a) The Board will elect a President, Vice-President, Secretary, and Treasurer, annually, or more often as may be required. The Board may, from time to time, elect any other officers as it considers necessary, who will have such authority and perform such duties as the Board may from time to time prescribe.
- (b) No person may hold more than one of the above offices.
- (c) All officers must be members of the Co-op. The President and Vice-President must be directors, but the Other officers need not be directors.

7.03 REMOVAL OF OFFICERS

The Board may, by resolution, remove any officer from office. Notice of intention to propose such a resolution will be given to all directors in accordance with 6.13 (Meetings of Directors), and notwithstanding the provisions of 6.13(e) no such resolution may be considered unless such notice was given to the officer concerned who will be entitled to attend the meeting of the Board and to make representations. The directors may immediately fill any office rendered vacant under this paragraph.

7.04 OTHER VACANCIES

- (a) Any officer may resign by notice in writing delivered to the President or the office of the Co-op and such resignation will be effective on acceptance by the Board. The Board will accept any resignation at the meeting following its receipt unless the resignation is withdrawn before acceptance. If and only if the procedure described herein is rendered inoperative by a situation such as that described in 6.08 (b), an officer's

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resignation shall be deemed accepted upon delivery of the written notice to the Co-op's office.

- (b) When the President or Vice-President ceases to be a director, she/he will at the same time cease to occupy the office held.

7.05 REMUNERATION

Officers will receive no remuneration for serving as officers, but may be reimbursed for any reasonable duly authorized, out-of-pocket expenses incurred in carrying out their duties. Officers engaged to perform duties for the Co-op for remuneration will resign their office.

7.06 PRESIDENT

The President will, subject to (3.06) and 6.13 (h), preside at all meetings of members and the Board. The President will be responsible for the efficient management of the affairs of the Co-op, subject always to the instructions of the Board and the members given through duly passed resolutions.

7.07 VICE-PRESIDENT

The Vice-President may, subject to (3.06) and 6.13 (h), preside at meetings of members of the Board. If the President is unable or unwilling to act with respect to any other duties of the office of the President, the Vice President will perform such duties.

7.08 SECRETARY

- (a) The Secretary will issue or cause to be issued all required notices of meetings of the members and the Board and any documents required to be given in connection with the business to be conducted at such meeting. The Secretary will ensure that the books and records of the Co-op (other than those for which the Treasurer is responsible) are maintained. The Secretary will ensure that all legally required notices and filings are duly given or done. The Secretary will cause to be kept accurate and complete Minutes of all meetings of members and the Board and will cause them to be distributed before the next meeting of the Board or members in such manner as the members or the Board may direct. The Secretary will cause to be distributed to members a copy of all By-laws within a reasonable

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time of their adoption.

(b) The Secretary will keep or cause to be kept a minute book which will include the following:

1. A copy of the Co-op's Certificate and Articles of Incorporation and any Articles of Amendment;
2. All by-laws;
3. All Special Resolutions of the Co-op;
4. All standing resolutions of the Board;
5. A register of members that sets out alphabetically the names of all persons who are or have been within years registered as members of the Co-op and their addresses while members;
6. A register of directors showing the names and the residence addresses while directors of all directors and the names of all persons who are or have been directors, with the dates on which each of them became or ceased to be a director;
7. Minutes of all meetings of members and of the Board and copies of any reports distributed for consideration at meetings of the Board and members; and
8. Confidential appendices to the minutes of Board meetings.

(c) The Board may, at its discretion, create the separate office of Recording Secretary, who will be responsible for taking and distributing minutes of meetings of the members and the Board, and Corporate Secretary, who will be responsible for all the other duties of the Secretary.

7.09 TREASURER

The Treasurer will be responsible for generally overseeing the financial management and affairs of the Co-op. The Treasurer will cause all funds and securities of the Co-op to be deposited with such credit union, bank, or trust company as the Board may direct. The Treasurer will cause to be kept proper accounting records including records of all sums of money received and disbursed by the Co-op and the manner in which the receipt and disbursement took

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place, all purchases by the Co-op, all rentals, housing charges and other amounts received by or owing to the Co-op, the assets and liabilities of the Co-op and all other transaction affecting the financial position of the Co-op. The Treasurer will ensure that the Board receives monthly financial statements including a balance sheet and statement of income and expense.

7.10 GENERAL DUTIES OF OFFICERS

The officers will perform their duties in accordance with resolutions passed by or directions given at meetings of the Board. The officers will perform such additional duties as may be assigned to them by the members or the Board and will act as signing officers where set out in this by-law.

ARTICLE 8

STAFF

8.01 EMPLOYMENT OF STAFF

- (a) The Board will, from time to time, engage employees, as necessary, to fill all staff positions. Each employee will have such responsibility and authority as is set out in the job description for the position, subject to the by-laws of the Co-op. The Board may delegate any responsibility or authority to any employee with such limits and guidelines as it deems appropriate. Any proposal to provide management services other than through such employees will require the authority of a by-law or Special Resolution of the members.

8.02 SUPERVISION OF STAFF

- (a) The Board will supervise, direct and fix the rate of remuneration of the employee(s) of the Co-op.
- (b) The Employees will, at all times, be subject to instructions of the Board. The employees will, at all reasonable times, give to the Board and meetings of members any information requested regarding the affairs of the Co-op.
- (c) Where any duties of the officers of the Co-op referred to in Article 7 have been given to employees, the employees will liaise with the relevant officers with respect to those duties.

ARTICLE 9

COMMITTEES

9.01 CREATION OF COMMITTEES

- (a) The Board may create such committees as it deems necessary and, when determining to strike a committee, will prescribe the duties of the committee, its composition and manner of operation. The Board will appoint all members to each committee, fill all vacancies and terminate appointments. The members of a committee need not be directors. Unless otherwise determined by the Board, volunteers for each committee will be solicited from among members of the Co-op. Any resignation from a committee will be reported to the Board. Each committee will report to the Board from time to time, as requested, and representatives of the committee may appear at meetings of the Board. No Committee may raise or spend any money, authorize any expenditure, enter into any contract or commit the Co-op to any action whatsoever unless specifically authorized by a by-law of the Board. Each committee will elect a Chairperson from among its members, subject to ratification by the Board, to coordinate the business of the committee. In addition, each committee will appoint a Secretary who from among its members will keep minutes of all Board and members, as requested, subject to the guidelines respecting confidentiality established in 11.02. Notwithstanding any interpretation of 11.02, the Board will have access to all minutes of all committee meetings as it deems necessary or appropriate.

- (b) A meeting if members may determine that a committee should be created to deal with any matter, in which event, unless the members have done so, the Board will determine the duties of the committee and appoint members to it in the same manner as set out above.

ARTICLE 10

CONFLICT OF INTEREST

10.01 FIDUCIARY DUTIES

Persons who accept a position within or on behalf of the Co-op have an obligation to act honestly, in good faith and in the best interests of the Co-op, rather than in their personal interest. Such obligations are called "fiduciary duties" and such persons are called "Fiduciaries" for the purpose of this Article. The category of Fiduciaries includes all directors, officers, committee embers and employees of the Co-op.

10.02 TYPES OF CONFLICT OF INTEREST

For the purposes of this by-law, a conflict of interest arises where a Fiduciary is required to make or participate in a decision related to the Co-op's affairs, and the Fiduciary has an interest in the result of the decision that is not common with the rest of the Co-op members. Types of situations in which conflicts of interest arise include;

- (a) the co-op is contracting with the Fiduciary or a company or group in which the Fiduciary has an interest;
- (b) the Co-op is dealing with a decision that affects different groups within the Co-op differently and the Fiduciary belongs to one of these groups; and
- (c) a Fiduciary has a predisposition or a bias with respect to a disciplinary proceeding or other matter because of the Fiduciary's personal relations with the member or other party involved.

These types of conflict of interest, and the paragraphs dealing with them set out below, are not intended to be exhaustive. Other types of conflict of interest may arise and should be dealt with in a manner consistent with the principals set out in this Article. The definition of conflict of interest used herein is somewhat broader than that which might be applied in a court of law. This is intended to protect the Co-op, to whatever extent possible, from litigation where the point of law in question may be something other than conflict of interest, and to provide for the fair and equitable management of the Co-op. In the application of 10.03 and 10.07, the definition of conflict of interest set out in this by-law will be operative, notwithstanding any narrower definition which might be enforced by the courts.

10.03 DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

The facts of each case are different and a careful judgment will often have to be made particularly in the type of situation referred to in 10.05 and 10.06 below. In such cases, the matter should be referred to the Board and the Board (excluding any director involved) will decide, whether or not, in its opinion, a conflict of interest exists.

10.04 DEALINGS IN WHICH A FIDUCIARY HAS AN INTEREST (10.02(a))

Where a Fiduciary has an interest of the type mentioned in 10.02 (a), a conflict of interest exists no matter how great or small the interest of the Fiduciary is. This would include, for example, a case where it is a relative of the Fiduciary with whom the Co-op is dealing, or who might have an interest in a company or group with which the Co-op is dealing, no matter how remote. If there is any question at all as to whether the degree of interest of the Fiduciary is sufficient to be considered a conflict of interest, it should be assumed that there is a conflict of interest.

10.05 DECISIONS AFFECTING DIFFERENT GROUPS WITH CO-OP (10.02(b))

Decisions are often required by the Board and other Fiduciaries that affect different members of the Co-op differently as referred to in 10.02 (b). This is different from the type of conflict mentioned in 10.02 (a) in that it does not relate to the Fiduciary's personal outside interest, but rather to the Fiduciary's interest as a member of the Co-op. If an issue arose which affected only two or three units, a Fiduciary who lived in one of the units would have a conflict of interest. On the other hand, if many units were involved, the Fiduciary might not have a conflict of interest.

10.06 PERSONAL BIASES (10.02 (c))

Decisions are often required that affect members or other persons with whom Fiduciaries have personal relations. These are cases where the Fiduciary has no direct personal interest of the type referred to in 10.02 (a), or where the matter does not affect groups of members, as referred to in 10.02 (b), but may be a situation such as an eviction proceeding where the member involved is a friend of the Fiduciary. In the event that there is a close relationship that might be likely to predispose the view of the Fiduciary, then it should be considered that the Fiduciary has a conflict of interest. If the member is merely a casual acquaintance of the fiduciary, then there would probably not be a conflict of interest.

10.07 PROCEDURES IN CASE OF CONFLICT OF INTEREST

- (a) Where a matter comes before the Board and a Fiduciary who is a member of the Board has, or may have, a conflict at the meeting at which the matter is to be considered, the Board will make a determination under paragraph 10.03 as to whether there is a conflict. Both disclosure and the Board's resulting determination will be recorded in the minutes of the meeting. If there is a conflict, the Fiduciary will refrain from voting on the question or participating generally in the discussion. However, the Fiduciary may remain present during the discussions and answer any questions, unless the Board otherwise decides. Where a Fiduciary has disclosed a conflict of interest and is not voting, the Fiduciary will be considered absent for the purpose of determining whether a quorum is present.
- (b) In the case of a conflict of interest or possible conflict of interest of a committee member, the committee will act in the same manner as the Board under (a) of this paragraph.
- (c) In the case of a conflict of interest or possible conflict of interest of an employee, the employee must report the matter to his or her supervisor before taking any action with respect to the matter and will act in accordance with the directions of the supervisor. If the senior employee is involved in the conflict of interest, the matter must be reported to the Staff Liaison Officer (or President if there is no Staff Liaison Officer) who will report it to the Board. The senior employee must act in accordance with any directions of the Board.
- (d) In the case of a conflict of interest or possible conflict of interest of an officer or other Fiduciary not mentioned above, the matter will be referred to the Board.

10.08 MEMBERS' CONFLICT OF INTEREST

The rules set out above relating to conflict of interest apply to persons who are within the category of Fiduciaries, as described in 10.01, and are acting in the course of their fiduciary duties. The fiduciary obligations do not apply to consideration of matters by members' meetings, whether or not any particular member is a Fiduciary. Accordingly, at members' meetings, members may participate in discussion and vote as they wish, whether or not they have a conflict of interest. However, in the event a conflict of interest relating to a contract of the co-

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op in which the member may have a direct or indirect interest, the member must declare and disclose the conflict of interest, if he or she wishes to participate in the discussion. Although members are legally permitted to vote in whatever way they wish at a members' meeting, even though they have a conflict of interest, it is desirable for members to attempt to act in the best interests of the Co-op as a whole.

10.09 BREACH OF DUTY

In the event of a breach of duty by a director relating to conflict of interest, then the provisions of Section 98 of the Act will apply. In the event of a breach of duty relating to conflict of interest by any other Fiduciary, then the provisions of section 98 of the Act will apply with all necessary changes. Such provisions are incorporated into this By-law by reference and are intended to be in addition to any other rights which the Co-op may have.

ARTICLE 11

ACCESS TO INFORMATION AND CONFIDENTIALITY

11.01 ACCESS TO MEMBER'S FILE AND FINANCIAL ACCOUNTS

Members will be entitled to access to their personal file and personal financial accounts at any time during Co-op office hours. If any member feels that there is any inaccuracy in such file, the member will bring the matter to the attention of the Co-op's staff or designated volunteer, who will attempt to resolve the matter with the member. The member may bring the matter to the attention of the Board if it cannot be resolved in this way. If the member wishes, a written statement by the member will be inserted in the file.

11.02 CONFIDENTIALITY OF BOARD PROCEEDINGS

- (a) All directors will keep confidential all matters considered by the Board or their committees or coming to their attention that are of a confidential or private nature. Such matters will be limited to personal and financial information on individual members, information relating to the business of the Co-op where secrecy is appropriate to preserve the Co-op's position against third parties and personnel information relating to Co-op employees. Such confidentiality obligations will continue even after individuals cease to be directors, members of their committee or members

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of the Co-op.

- (b) If any officer, employee, or other member of the Co-op is present at a meeting of the Board or a committee where confidential matters are being considered, or in any other way becomes aware of confidential information, such person will have the obligation to keep such information confidential and not to communicate it to anyone else as provided in 11.02 (a). It is the responsibility of each officer, director or employee to ensure that all written material confidential in nature is kept in a secure place away from members of their household who ordinarily would have access to this information.
- (c) Confidential matters considered at Board meetings will be recorded in a confidential appendix to the minutes, which will be referred to but not included in the copies of the minutes circulated to members or posted in a public place.
- (d) In determining whether matters are confidential, directors will keep in mind that the members have a right to be fully informed about all aspects of the Co-op's business unless there is a strong reason for confidentiality in a particular case.

ARTICLE 12

FINANCIAL

12.01 FISCAL YEAR

The fiscal year of the Co-op will commence on the first day of April of each year and end on the thirty-first day of March in the following year.

12.02 BONDING OF OFFICERS AND EMPLOYEES

Every officer or employee of the Co-op who has charge of or handles money or securities belonging to the Co-op, and every signing officer, and any other officers or employees prescribed by the Board, will be bonded with a surety company selectm by the Board, for such an amount and in such form as the Board may from time to time determine.

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12.03 AUDITOR

- (a) The members at each annual general meeting will appoint an Auditor who is a chartered accountant or a chartered accountant firm familiar with accounting for co-operative housing corporations. The Auditor will hold office until a successor is appointed. Remuneration of the Auditor will be fixed by the Board.
- (b) If it is proposed to remove an auditor or to appoint a different auditor, the procedure set out in Sections 124 and 125 of the Act will be followed.
- (c) The Auditor will, at all reasonable times, have access to the books, accounts and vouchers of the Co-op, and the directors, officers and employees of the Co-op will provide such information and explanations as may be necessary for the performance of the Auditor's duties.

12.04 AUDITOR'S REPORT

The auditor will make a report to the members concerning the financial statement of the Co-op which will be laid before the Co-op at each annual general meeting during the Auditor's term of office. The report will state whether, in the Auditor's opinion, the financial statement presents fairly the financial position of the Co-op and the results of its operations for the period under review in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous period, if any. Where the report does not contain the unqualified opinion above, the auditor will state in the report the reasons. The auditor's report and financial statement will be prepared in accordance with the relevant provisions of the Act.

12.05 EXECUTION OF DOCUMENTS

- (a) The Board will appoint four signing officers for the signing of the cheques, two of whom will be the President and the Treasurer and the remainder of whom will be directors. All cheques will be signed by two signing officers. Persons signing cheques will satisfy themselves that the expenditure has been duly authorized in accordance with any by-laws.
- (b) Except as provided in (c) of this paragraph, all other documents (including any written commitment on behalf of the Co-op requiring the signature of the Co-op) will be signed by any two directors of whom at least one will be the President or Corporate Secretary.

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- (c) The Board may, by resolution, appoint any officer, director, employee or other person, or more than one of them, to sign documents or classes of documents (other than cheques) on behalf of the Co-op instead of or in addition to those provided in b) if this paragraph.
- (d) All persons authorized to sign a document are authorized by this paragraph to affix the corporate seal.
- (e) The authority to sign documents as set out above will not confer on any of the officers, directors or other persons referred to above any authority to make commitments or enter into contracts or obligations on behalf of the Co-op except where the Board has expressly delegated such authority. Such persons are only authorized by (b) to (d) of this paragraph to execute documents that have been authorized under the provisions of the Co-op's by-laws.
- (t) All persons signing any document referred to in (b) and (c) of this paragraph will have power to approve the form of the document and minor changes not affecting the substance thereof.
- (g) The execution of any document in the manner set out in this paragraph will be deemed in favour of third parties to be conclusive evidence that the execution and delivery of such document was duly authorized by the Co-op.

12.06 BORROWING POWERS

The directors will have only the specific borrowing powers that follow (or as set out in any later by-law) :

- (a) Except as provided in clause (b) of this paragraph, the directors may borrow money on the credit of the Co-op, and may mortgage, pledge or charge any of the assets of the Co-op as security for monies so borrowed. In taking any of the action referred to in this paragraph, the Board will consider any contractual obligations of the Co-op to Canada Mortgage and Housing Corporation, or others. The Board will, when appropriate, consult the members on any borrowing decision.
- (b) The total of all such indebtedness will not at any time exceed \$25,000.00 unless specifically authorized by a Special Resolution of the members.

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- (c) Notwithstanding clause (b) above, where a transaction has been authorized, either specifically or generally, under this By-law or any prior by-law of the Co-op, the directors may, without Special Resolution, authorize any specific documents as they deem necessary or desirable to complete the transaction. This will include any documents that are required to renew an existing loan with the same lender where any change in the interest rate or payments will not affect the net amount payable by the Co-op after the receipt of assistance under its arrangements with Canada Mortgage and Housing Corporation. If a loan is to be repaid and the monies borrowed from the new lender, then a Special Resolution will be required in the circumstances set out in clause (b) if this paragraph.
- (d) A certificate signed by an officer of the Co-op under the Co-op's corporate seal stating that this By-law has been complied with shall be deemed in favour of a party lending money to the Co-op to be conclusive evidence of compliance with this By-law.

12.07

INVESTMENT OF SURPLUS FUNDS

- (a) The Board may invest surplus funds of the Co-op in government bonds, or interest-bearing deposits or other interest-bearing securities with a credit union, chartered bank, trust company, or Province of Ontario savings Office, or with a financial institution or investment fund organized and/or controlled by a second or third level co-operative housing sector organization of which the Co-op is a member. Surplus funds will be invested in a manner that achieves a reasonable rate of return but does not jeopardize the financial stability or interfere with the normal operation of the Co-op. The Board will not invest any funds of the Co-op in any security or investment other than as mentioned above or any security having a maturity date of longer than one year from the time of the investment without the authority of a resolution of the members.
- (b) When investing the funds of the Co-op, preference will be given to investments with credit unions and other co-operative financial institutions if the terms of such investments are reasonably comparable to or better than those generally available.
- (c) The Board will invest all reserve funds in accordance with (a) of this paragraph. The interest earned on reserve funds will be used to increase the reserve and will not be considered operating revenue.

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12.08 DISSOLUTION OF THE CO-OP

On dissolution of the Co-op, after payment of all its debts and liabilities, the remaining property of the Co-op will be distributed or disposed of to or for charitable organizations whose activities are carried solely within Canada.

ARTICLE 13

SECTOR SUPPORT

13.01 MEMBERSHIP IN SECTOR ORGANIZATIONS

The Board may apply for, and the Co-op may hold membership in, such second or third level co-operatives involved in the support or promotion of co-operation organizations as the Board deems advisable. The Co-op will make reasonable arrangement for the payment of all or an appropriate part of the expenses of members duly appointed to attend the functions of such organizations.

ARTICLE 14

NOTICE

14.01 NOTICE

- (a) No minor defect in procedure or notice given with respect to any matter dealt with in this By-law or any of the by-laws of the Co-op will invalidate any decision made or step taken if there has been substantial compliance with the requirements of the by-law. Any member may waive, in writing or by conduct, any minor defect in procedure or notice with respect to any matter.
- (b) All notices or copies of documents required to be given pursuant to this By-law or other by-laws of the Co-op will, unless the contrary is explicitly stated, be in writing and may be sufficiently given if handed personally to or left with the member or an apparently adult person in the member's unit, or left in the mail box, slipped under the door, taped to the door or otherwise delivered to the member's unit. A notice or other document sent by mail by the Co-op will be deemed to have been given or delivered on

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the third day after mailing, except where there is a recognized disruption in the postal service. Notices of Board and members' meetings or copies of documents under this by-law may be sufficiently delivered if left in the member's box in the Co-op's internal mail box system. If more than one member occupies a unit, it will be sufficient delivery to all members occupying the unit is one notice and one copy of any document is delivered to the unit or to one of the members occupying the unit. The date on which the notice is delivered will be deemed to be the date of giving the notice and the date on which any documents is delivered will be deemed to be the date of service of deliver of the document.

- (c) In addition to the copy of a notice or document given in the manner referred to in (b), the Board may, where it feels circumstances warrant it, give an additional copy of the notice or documents by other means. Examples might include delivering audio-taped notices to visually impaired members or notices in other languages to members whose primary language is not English. The Board will be under no obligation to deliver any notices in such a fashion. In the event of any discrepancy between any notice so given and the notice given under (b), the notice under (b) will govern.

ARTICLE 15


COMING INTO FORCE

15.01 COMING INTO FORCE

This By-law will come into force as soon as it is adopted in accordance with paragraph 5.01 of this By-law. At such time, all provisions of preliminary Organizational By-law (by-law no.I), and the provisions of any previous by-law which may conflict with this By-law will be repealed.

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PASSED by the Board of Directors and sealed with the corporate seal of the Co-operative this
11th day of September, 2002

A handwritten signature in black ink, appearing to be a stylized name, written over a horizontal line.A handwritten signature in black ink, appearing to be "Don Jancsó", written over a horizontal line.

Secretary

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SCHEDULE "A"

RULES OF ORDER

FOR MEMBERS' MEETINGS

PREAMBLE

These Rules of Order are designed to allow each member to participate in decision-making at Co-op general meetings.

The aim of the decision-making process at general meetings is to reach the best possible decision based on the combined input of the members. It is important, as well, to ensure that all members understand the substance and implications of any proposal under review before they are asked to vote on it.

The main steps in the formal decision-making process are as follows:

a proposal or "motion" is introduced by its sponsor or "mover", or by the Chairperson

a specific motion is made

the motion is seconded by another member who supports it

the motion is discussed, with the discussion controlled by the Chairperson

the motion may be amended before a decision is taken on the motion as a whole

the meeting makes a decision by voting on the motion (as presented or amended)

if the motion is defeated a related motion can be considered, or the meeting can move on to consider other business.

The following Rules of Order have been adopted by the Co-op to govern the formal decision-making process and form part of this By-law. The comments which follow each Rule in the paragraphs below are not part of the Rule itself, but are intended to assist the Chairperson in the application of the Rule and to help members to understand its purpose.

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1. MOTIONS

Each item of business will be introduced by the Chairperson or presented by its sponsor (the member who asked that the item be included on the agenda). The sponsor will normally request the meeting to accept a proposal by "moving" it as a motion. In order to be considered by the meeting, the motion must be supported by at least one other member who agrees to "second" the motion. Only one main motion may be before the meeting at any one time.

On occasion, the Board or a member may introduce a matter for discussion without presenting a specific recommendation on how to deal with the matter. The chairperson will be responsible in such cases for determining whether a specific motion is in order to help the meeting to deal effectively with the matter.

Comment: A main motion expresses the principal proposal before the meeting. Main motions should be written up and distributed to members in advance of the meeting whenever possible. This will enable members to consider the matter before the meeting. Main motions formulated at the meeting should also be presented to the Chairperson in written form whenever possible to assist the Chairperson in guiding discussion and the Secretary in recording the minutes. However, procedural motions (6), interruptions (7) or amendments are usually not presented in written form. Prior to being voted on, the Secretary should have all motions in written form and should read the motion to the meeting.

2. SPEAKING

Once a motion has been moved and seconded, it is discussed by the members with discussion regulated by the Chairperson. Speakers must deal with the proposal on the floor and directly related matters. Speakers may ask questions about the motion which will be answered by the Chairperson or, at the discretion of the Chairperson, by the sponsor.

All remarks should be addressed to the Chairperson and not to other members at the meeting. Each speaker will normally be allowed to speak for a maximum of three minutes. The Chairperson may, at its discretion, set a longer or lesser time limit. Normally, no member will be permitted to speak more than once on the same item until all members present who wish to speak have done so. The Chairperson may waive this Rule at its discretion.

Comments: All people who wish to speak must raise their hand and wait until they are acknowledged by the Chairperson. The Chairperson will keep a "speakers list" of all people who wish to comment on the motion and call on them to speak, in order. The Chairperson may

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rule speakers out of order is their comments are not relevant to the particular motion being considered. In such a case, members ruled out of order may, at an appropriate later time (as allowed by the Chairperson) raise the matter they wished to put before the meeting.

2. AMENDMENTS

During debate on a main motion, amendments to the motion may be introduced. An amendment may delete part of the main motion, add to it, or change parts of it, but cannot be directly contrary to the intent of the original motion or unrelated to the main motion. A member who wishes a decision contrary to the intent of the original motion must ask that the original motion be defeated so that an alternative motion might be moved in its stead. Once an amendment has been moved and seconded, all speakers must address the amendment under consideration rather than the main motion, until the amendment has been voted on.

The same majority is required to pass an amendment as is required for the motion it amends. Therefore, an amendment to a proposed by-law would require a two-thirds majority of votes cast.

A member may ask that an amendment be considered by the mover and seconder as a "friendly" amendment. A "friendly" amendment is one with which both the mover and seconder agree, and immediately becomes part of the main motion.

The Chairperson will keep a separate speakers' list for the debate of a proposed amendment. rather than allowing amendments to amendments, the Chairperson may entertain more than one amendment provided they have been duly moved and seconded and provided they would change the same part of the main motion. The last amendment to be moved is the first to be debated and voted on. After any amendment is voted on. debate resumes on any previous amendments, in reverse order, and then on the main motion using the relevant speakers' list. Amendments that pass are incorporated into the main motion and debate continues on the main motion.

Comment: When more than one amendment is being entertained, the Chairperson is responsible for ensuring that it is clear which amendment is being spoken to. Occasionally, a member wishes to amend a motion by replacing it with a whole new motion or by amending it in a way that is contrary to the original motion. This is not allowed as a valid amendment. The member may briefly outline the substitute motion and either ask the mover to withdraw the motion on the floor or urge the meeting to defeat it so that the substitute motion can be proposed.

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3. WITHDRAWING A MOTION

The mover of a motion may, at any time during discussion of a motion, with the permission of the seconder, withdraw the motion from the floor.

Comment: A motion might be withdrawn if the mover decided, for example, that it was not appropriate to make a decision at this time or felt that it was preferable for a substitute motion to be considered.

4. VOTING

Once every member who wishes to do so has had a chance to speak the Chairperson calls for a vote. Motions are decided by simple majority unless otherwise required by the Co-op's By-Laws (which include these Rules of Order) or by the Co-operative Corporations Act. The Chairperson of the meeting will not vote unless the vote is by ballot or unless this vote would make or break a tie. The Chairperson will rule on whether or not the motion has passed. A recount may be held on the request of any member. A majority vote is defined as more than half of the positive and negative votes without counting abstentions and without rounding. A two-thirds majority vote is defined as a positive vote of two-thirds or more of the positive and negative votes without counting abstentions and without rounding.

Comments: Normally, votes are taken by a show of hands with the Chairperson asking first for an indication of all those in favour, and then all those against the motion. The meeting may decide, by a majority vote, to vote on any motion by secret ballot. The Act (s.75 (3)) provides that any member may require that a poll count be taken.

5. PROCEDURAL MOTIONS

(a) Calling the Question

During the debate of a main motion or amendment, any member who has not yet spoken on the motion or amendment(s) may use their tum to call for an immediate vote on the motion or "call the question" instead of speaking.

A motion to "call to question" requires a seconder and may not be debated. In order, to be carried, the motion to "call the question" requires a two-thirds majority. Once the question has been called, the Chairperson will immediately

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ask members to vote on whether they wish to terminate discussion at this point. If the motion is defeated, debate on the main motion or amendment continues . If the motion to " call the question" is carried, by the required majority, then the meeting is ready to vote on the main motion or amendment on the floor.

Comment: A motion to " call the question " is an attempt to end debate on a motion or amendment and to cause a vote to be taken without further discussion. Because a motion to "call the question" may take away some members' right to speak, it should be used carefully. Before proposing to "call the question", there should be some indication that most members have made up their mind, and that speakers are not contributing any new arguments.

(b) Motions to Defer, Refer, or Table a Motion

During the debate on a main motion or an amendment, any speaker can move to "defer the question" to a subsequent meeting, to "refer the question", or to " table the motion".

A motion to "defer the question" requires a seconder, and is debatable and shall state the date or time at which the question is to be considered.

A motion to "table the motion" requires a seconder, but is not debatable .

A motion to "refer the question" requires a seconder and is debatable and shall state to whom the motion is referred.

Comment: The motion to "defer the question" attempts to postpone a decision on the proposal under consideration to a subsequent meeting or to a later time in the same meeting.

The motion to "refer the question" attempts to refer the proposal to the Board or to a specific committee for further study and recommendations.

The motion to "table the motion" sets the business aside for an indefinite period of time. It is usually used when members do not wish to express their opinion and prefer to shelve the matter indefinitely. In order to again consider the matter, a motion must be passed by a simple majority to take the motion from the table.

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(c) Dilatory Motions

The Chairperson may rule a motion out of order on the grounds that it is absurd, frivolous, obstructive, delaying or otherwise dilatory and not worth the attention of the meeting.

6. INTERRUPTIONS

The only occasions on which members may speak out of turn are if they wish to raise a 'point of order' or a 'point of information', if they wish to 'appeal' a ruling of the Chairperson, or if they raise a 'question of privilege'.

Once a point of order has been stated, the Chairperson will rule on its validity and, if appropriate, act on it.

An appeal may be made when any member is dissatisfied with a ruling of the Chairperson. It requires a seconder, and is not debatable. Both the member making the appeal and the Chairperson may give their reasons for their positions. The question, "shall the decision of the Chairperson be upheld", is then put to the vote. The chairperson does not vote. In the case of a tie vote, the Chairperson's ruling is considered to have been upheld.

A question of privilege will not require a seconder, nor shall there be discussion on such a question. The Chairperson will give a ruling on the question of privilege without calling for a vote.

Comment: A point of order should be raised when a member feels that an incorrect procedure is being followed, there is a better procedure, or there is a lack of quorum at the meeting.

A point of information should be raised when a member feels that he or she has an important piece of information or brief question relating to the item under consideration which may save needless debate if it is raised immediately instead of at the member's turn to speak. Points of information should always be brief and should never be used for debating purposes.

To raise a point of order or point of information, a member stands and, with as much courtesy as possible, interrupts the current speaker or the Chairperson and announces that he or she wishes to raise a point of order or information.

An appeal which is supported by members on a particular matter does not require the Chairperson to resign. Since the members are entitled to determine the conduct of their meeting, they may appeal and overrule decisions of the

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Chairperson. Such appeals should not be considered a vote of confidence and an appeal which is supported on a particular matter does not require the Chairperson to resign.

A question of privilege may be raised by any member who feels that the rights, safety or comfort of the assembly, or of any member present, are threatened. It may be a simple matter, such as the need for better ventilation, or requiring a speaker to speak through a microphone. A seconder is not required, nor is there debate. The Chairperson gives a ruling on the question or privilege.

(a) ADDITIONAL TECHNIQUE FOR CONDUCTING MEMBERS' MEETINGS

The formal rules described in this Schedule "A" must be used for the transaction of business at a members' meeting, i.e. for making decisions that are to be recorded in the minutes of the meeting.

During any discussion, however, the Chairperson is at liberty to suggest alternative methods of discussion or conduct which may have the effect of allowing members to share more information, elicit the participation and input of more members, obtain a general sense of members' opinions, or provide non-binding direction to the Board. Examples of such techniques would be small group discussions, straw votes, brainstorming sessions, etc.

When appropriate, the Chairperson will propose that such techniques be used during the meeting. If any member objects, she/he will be entitled to raise that objection by means of a "point of order" (see previous sections). Any decisions reached through the use of the techniques described in this section must be confirmed by a motion passed in accordance with these Rules in order to be binding on the Board or members.

9. QUESTIONS ON WRITTEN MATERIAL RECEIVED PRIOR TO MEETING

When Members have questions on any written material they receive prior to a General Members' Meeting (ie: Audited Financial Reports, By-Law Approval, Budget) they must put their questions in writing to the attention of the Board of Directors 6 hours prior to the meeting. This will allow the Board time to fully prepare to answer all Member's questions providing the greatest amount of information possible. All questions arising from the Board response to the original question will be addressed immediately at the meeting.

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SCHEDULE "B"

CONSENT TO ACT AS A DIRECTOR

TO: Birchwood Meadow Housing Co-operative Inc.

I hereby consent to act as a director of the Co-op.

I consent to a meeting of directors of the Co-op being held by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other.

DATED_ _ _ _ _ , 19__

Signature of Director

Name in full (please print)

Address

ORGANIZATIONAL BY-LAW

SCHEDULE "C"

INDEMNIFICATION AGREEMENT

----- '19_

Dear_ -----

Re: Indemnification as Director and Officer

Thank you for agreeing to act as a director of Birchwood Meadow Housing Co-operative. The Co-op's Organizational By-Law requires the Co-op to indemnify its directors and officers, to the extent permitted by the **Co-operative Corporations Act**, for certain liabilities incurred in connection with their duties as such. The Organizational By-Law also requires the Co-op to enter into an indemnity agreement reflecting this indemnity obligation. This letter will constitute that indemnity agreement.

The Co-operative hereby agrees to indemnify and save you harmless from and against any liability and all costs, charges and expenses that you sustain or incur in respect of any action, suit or proceeding that is proposed or commenced against you for, or in respect of, anything done or permitted by you in respect of the execution of the duties of your office(s).

This will not apply in respect of any action, suit or other proceeding as a result of which you are adjudged to be in breach of any duty or responsibility imposed upon you under the **Co-operative Corporations Act** or under any other statute unless you have achieved complete or substantial success as a defendant.

Yours very truly,
BIRCHWOOD MEADOW HOUSING CO-OPERATIVE INC.

Per: -----

BIRCHWOOD MEADOW HOUSING CO-OPERATIVE INC.

BY-LAWNO. 6

OCCUPANCY By-Law

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